

**Introduced by Senator Leyva**

January 20, 2016

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An act to amend Sections 130102, 130108, 190000, 190001, 190003, 190005, 190100, 190101, 190103, 190300, 190302, 190303, 190304, 190305, 190306, 190307, 190307.5, 190308, 190309, 190310, 190311, 190312, 190313, 190314, 190315, 190316, 190318, 190319, 190320, 190321, 190322, and 190323 of, to amend the heading of Division 20 (commencing with Section 190000) of, to amend and renumber Sections 190102, 190200, 190201, and 190202 of, to add the headings of Article 1 (commencing with Section 190000), Article 2 (commencing with 190100), and Article 3 (commencing with 190300) to Chapter 1 of Division 20 of, to add Chapter 2 (commencing with Section 190500) to Division 20 of, to repeal Sections 130054 and 130102.5 of, to repeal the headings of Chapter 2 (commencing with Section 190100), Chapter 3 (commencing with Section 190200), and Chapter 4 (commencing with Section 190300) of Division 20 of, and to repeal and add the heading of Chapter 1 (commencing with Section 190000) of Division 20 of, the Public Utilities Code, and to amend Section 149.11 of the Streets and Highways Code, relating to transportation.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 892, as introduced, Leyva. Transportation: San Bernardino County Transportation Authority.

Existing law authorizes a county board of supervisors to create or otherwise designate local agencies, including a transportation authority that may impose a transportation sales tax subject to voter approval, a service authority for freeway emergencies, and a transportation congestion management agency, as specified.

The Joint Exercise of Powers Act authorizes the legislative or other governing bodies of 2 or more public agencies to jointly exercise, by agreement, any power common to the contracting parties, as specified.

The County Transportation Commissions Act provides for the creation of county transportation commissions in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, with various powers and duties relative to transportation planning and funding, as specified.

This bill would create the San Bernardino County Transportation Authority as the successor agency to the powers, duties, revenues, debts, obligations, liabilities, immunities, and exemptions of the San Bernardino County Transportation Commission and San Bernardino County local transportation authority, service authority for freeway emergencies, and local congestion management agency, and of the San Bernardino Associated Governments, when it was acting on behalf, or in the capacity, of those agencies.

By imposing new duties on local government associated with this consolidation, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. It is the intent of the Legislature that the San  
2     Bernardino County Transportation Authority be a unified and  
3     comprehensive institutional structure that combines the  
4     transportation-related functions and authorities of the San  
5     Bernardino County Transportation Commission and San  
6     Bernardino County transportation authority, service authority for  
7     freeway emergencies, and congestion management agency, which  
8     are currently exercised by the San Bernardino Associated  
9     Governments joint powers authority by statute or by designation  
10    of the San Bernardino County Board of Supervisors. It is the intent  
11    of the Legislature that this act vest responsibility and liability for

1 transportation-related functions in the County of San Bernardino  
2 in a single entity, promote administrative efficiency, enhance public  
3 transparency, and ensure maximum accountability to the people,  
4 as provided in this act.

5 SEC. 2. Section 130054 of the Public Utilities Code is repealed.  
6 ~~130054. The San Bernardino County Transportation~~  
7 ~~Commission shall be the San Bernardino Associated Governments,~~  
8 ~~consisting of the following members:~~

9 ~~(a) Five members of the San Bernardino County Board of~~  
10 ~~Supervisors.~~

11 ~~(b) The Mayor of the City of San Bernardino.~~

12 ~~(c) One member from each of the other incorporated cities of~~  
13 ~~San Bernardino County, who shall be a mayor or a city councilman.~~

14 ~~(d) One nonvoting member appointed by the Governor.~~

15 SEC. 3. Section 130102 of the Public Utilities Code is amended  
16 to read:

17 130102. A majority of the members of the commission shall  
18 constitute a quorum for the transaction of business, and all official  
19 acts of the commission, ~~except as otherwise provided in Section~~  
20 ~~130102.5; commission~~ shall require the affirmative vote of a  
21 majority of the members of the commission.

22 SEC. 4. Section 130102.5 of the Public Utilities Code is  
23 repealed.

24 ~~130102.5. In the case of the San Bernardino County~~  
25 ~~Transportation Commission, its official acts shall require the~~  
26 ~~affirmative vote of a majority of the members representing the~~  
27 ~~cities and a majority of the members of the board of supervisors~~  
28 ~~if this is requested by either a majority of the members representing~~  
29 ~~the cities or a majority of the members of the board of supervisors.~~

30 SEC. 5. Section 130108 of the Public Utilities Code is amended  
31 to read:

32 130108. (a) Each member of a commission may be  
33 compensated at a rate not exceeding one hundred dollars (\$100)  
34 for any day attending to the business of the commission, but not  
35 to exceed four hundred dollars (\$400) in any month, and the  
36 necessary traveling and personal expenses incurred in the  
37 performance of his duties as authorized by the commission.  
38 *Members of the San Bernardino County Transportation Authority*  
39 *shall be compensated pursuant to this subdivision.* Members of

1 the Los Angeles County Metropolitan Transportation Authority  
2 shall be compensated pursuant to subdivision (b).

3 (b) Each member of the Los Angeles County Metropolitan  
4 Transportation Authority shall be compensated at a rate not  
5 exceeding one hundred and fifty dollars (\$150) for any day  
6 attending to the business of the authority, but not to exceed six  
7 hundred dollars (\$600) per month, and other expenses which are  
8 directly related to the performance of duties as authorized by the  
9 authority.

10 SEC. 6. The heading of Division 20 (commencing with Section  
11 190000) of the Public Utilities Code is amended to read:

12  
13 DIVISION 20. SAN BERNARDINO COUNTY  
14 TRANSPORTATION ~~COMMISSION~~ AUTHORITY  
15

16 SEC. 7. The heading of Chapter 1 (commencing with Section  
17 190000) of Division 20 of the Public Utilities Code is repealed.

18  
19 ~~CHAPTER 1. GENERAL PROVISIONS, FINDINGS, AND DEFINITIONS~~  
20

21 SEC. 8. The heading of Chapter 1 (commencing with Section  
22 190000) is added to Division 20 of the Public Utilities Code, to  
23 read:

24  
25 CHAPTER 1. SAN BERNARDINO COUNTY TRANSPORTATION  
26 SALES TAX ACT  
27

28 SEC. 9. The heading of Article 1 (commencing with Section  
29 190000) is added to Chapter 1 of Division 20 of the Public Utilities  
30 Code, to read:

31  
32 Article 1. General Provisions, Findings, and Definitions  
33

34 SEC. 10. Section 190000 of the Public Utilities Code is  
35 amended to read:

36 190000. ~~The division~~ *This chapter* shall be known and may be  
37 cited as the San Bernardino County Transportation Sales Tax Act.

38 SEC. 11. Section 190001 of the Public Utilities Code is  
39 amended to read:

1 190001. The Legislature hereby finds and declares all of the  
2 following:

3 (a) Recognizing the scarcity of resources available for all  
4 transportation development, alternative methods of financing  
5 provided in this ~~division~~ *chapter* are needed to finance the cost of  
6 constructing, developing, acquiring, and maintaining and providing  
7 highways, streets, roads, and public transportation services in the  
8 County of San Bernardino and these methods will increase  
9 economic opportunities, contribute to economic development, be  
10 in the public interest and serve a public purpose, and promote the  
11 health, safety, and welfare of the citizens within the County of San  
12 Bernardino.

13 (b) It is the intent of the Legislature, in enacting this ~~division~~;  
14 *chapter* that the County of San Bernardino continue to receive its  
15 equitable share of funds under the state transportation improvement  
16 program and that incentives be provided to reward rather than to  
17 penalize counties that adopt local sales tax measures.

18 (c) It is in the public interest to allow the voters of San  
19 Bernardino County to adopt a specific revenue source and to  
20 authorize new duties for the San Bernardino County Transportation  
21 ~~Commission~~ *Authority* so that local decisions can be implemented  
22 in a timely manner to provide improvements to the transportation  
23 system.

24 SEC. 12. Section 190003 of the Public Utilities Code is  
25 amended to read:

26 190003. ~~“Commission”~~ *“Authority”* means the San Bernardino  
27 County Transportation ~~Commission~~ *Authority* created pursuant to  
28 Section ~~130054~~. *190505*.

29 SEC. 13. Section 190005 of the Public Utilities Code is  
30 amended to read:

31 190005. “San Bernardino Associated Governments” means  
32 the joint powers agency established pursuant to Chapter 5  
33 (commencing with Section 6500) of Division 7 of Title 1 of the  
34 Government Code. Any board, commission, department, or officer  
35 succeeding to the functions of the association is granted the powers  
36 and duties of the association under this ~~division~~. *chapter*.

37 SEC. 14. The heading of Chapter 2 (commencing with Section  
38 190100) of Division 20 of the Public Utilities Code is repealed.

39  
40 ~~CHAPTER 2. ADMINISTRATION~~

1 SEC. 15. The heading of Article 2 (commencing with Section  
2 190100) is added to Chapter 1 of Division 20 of the Public Utilities  
3 Code, to read:

4  
5 Article 2. Administration  
6

7 SEC. 16. Section 190100 of the Public Utilities Code is  
8 amended to read:

9 190100. ~~The commission authority~~ shall expend only that  
10 amount of the funds generated pursuant to this ~~division chapter~~  
11 for staff support, audit, administrative expenses, and contract  
12 services that are necessary and reasonable to carry out its  
13 responsibilities pursuant to this ~~division, chapter~~, and in no case  
14 shall the funds *generated pursuant to this chapter be* expended  
15 for salaries and benefits ~~exceed in excess of~~ 1 percent of the annual  
16 amount of revenue raised by the tax.

17 SEC. 17. Section 190101 of the Public Utilities Code is  
18 amended to read:

19 190101. ~~The commission authority~~ shall do all of the following  
20 with respect to the revenues derived from the transactions and use  
21 tax levied pursuant to ~~Chapter 4 Article 3~~ (commencing with  
22 Section 190300):

23 (a) Adopt an annual budget.

24 (b) Cause a postaudit of the financial transactions and records  
25 of the ~~commission authority~~ and of all revenues expended pursuant  
26 to this ~~division chapter~~ to be made at least annually by a certified  
27 public accountant.

28 (c) Do any and all things necessary to carry out the purposes of  
29 this ~~division, chapter~~.

30 SEC. 18. Section 190102 of the Public Utilities Code is  
31 amended and renumbered to read:

32 ~~190102.~~

33 190525. (a) ~~The commission authority~~ shall publish, pursuant  
34 to Section 6061 of the Government Code, notice of the time and  
35 place of the public hearing for the adoption of the annual budget  
36 not later than 15 days prior to the date of the hearing.

37 (b) The proposed annual budget shall be available for public  
38 inspection at least 15 days prior to the hearing.

39 SEC. 19. Section 190103 of the Public Utilities Code is  
40 amended to read:

1 190103. The ~~commission~~ *authority* may approve a transaction  
2 and use tax ordinance and ballot proposition and call an election  
3 in accordance with ~~Chapter 4 Article 3~~ (commencing with Section  
4 190300).

5 SEC. 20. The heading of Chapter 3 (commencing with Section  
6 190200) of Division 20 of the Public Utilities Code is repealed.

7  
8 ~~CHAPTER 3. POWERS AND FUNCTIONS~~

9  
10 SEC. 21. Section 190200 of the Public Utilities Code is  
11 amended and renumbered to read:

12 ~~190200.~~

13 ~~190526.~~ The ~~commission~~ *authority* may sue and be sued, except  
14 as otherwise provided by law, in all actions and proceedings, in  
15 all courts and tribunals of competent jurisdiction.

16 SEC. 22. Section 190201 of the Public Utilities Code is  
17 amended and renumbered to read:

18 ~~190201.~~

19 ~~190527.~~ All claims for money or damages against the  
20 ~~commission~~ *authority* are governed by Division 3.6 (commencing  
21 with Section 810) of Title 1 of the Government Code except as  
22 provided therein, or by other statutes or regulations expressly  
23 applicable thereto.

24 SEC. 23. Section 190202 of the Public Utilities Code is  
25 amended and renumbered to read:

26 ~~190202.~~

27 ~~190528.~~ The ~~commission~~ *authority* may make contracts and  
28 enter into stipulations of any nature whatsoever, including, but not  
29 limited to, contracts and stipulations to indemnify and hold  
30 harmless, to employ labor, and to do all acts necessary and  
31 convenient for the full exercise of the powers granted in this  
32 division.

33 SEC. 24. The heading of Chapter 4 (commencing with Section  
34 190300) of Division 20 of the Public Utilities Code is repealed.

35  
36 ~~CHAPTER 4. TRANSACTIONS AND USE TAX~~

37  
38 SEC. 25. The heading of Article 3 (commencing with Section  
39 190300) is added to Chapter 1 of Division 20 of the Public Utilities  
40 Code, to read:

## Article 3. Transactions and Use Tax

SEC. 26. Section 190300 of the Public Utilities Code is amended to read:

190300. The Legislature, by the enactment of this ~~chapter~~, *article*, intends the additional funds provided government agencies by this ~~chapter~~ *article* to supplement existing local revenues being used for transportation purposes. The government agencies shall maintain their existing commitment of local funds for transportation purposes pursuant to an ordinance adopted by the ~~commission~~ *authority* to enforce this section.

The ~~commission~~ *authority* may levy a retail transactions and use tax applicable in the incorporated and unincorporated territory of the county in accordance with this ~~chapter~~ *article* and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The ordinance shall only become effective if adopted by a two-thirds vote of the ~~commission~~ *authority* and subsequently approved by two-thirds of the electors voting on the measure at a special election called for the purpose by the board of supervisors or at any regular election. The board of supervisors shall call the election upon being requested to do so by a resolution adopted by the ~~commission~~, *authority*, but not otherwise. The ~~commission~~ *authority* shall specify in the ordinance that not more than 1 percent of the annual amount of revenues raised by the tax may be used to fund the salaries and benefits of the staff of the ~~commission~~ *authority* in administering the programs funded from that tax. The ordinance shall take effect at the close of the polls on the day of election at which the proposition is adopted. The initial collection of the transactions and use tax shall take place in accordance with Section 190304.

If the voters do not approve the ordinance, the board of supervisors may, at any time thereafter, submit the same, or a different, measure, if adopted by a two-thirds vote of the ~~commission~~, *authority*, to the voters in accordance with this ~~division~~ *chapter*.

SEC. 27. Section 190302 of the Public Utilities Code is amended to read:

190302. (a) The ~~commission~~, *authority* in the ordinance, shall state the nature of the tax to be imposed, the tax rate or the maximum tax rate, the purposes for which the revenue derived



1 from the tax will be used, and shall set a term during which the  
2 tax will be imposed.

3 (b) The purposes for which the tax revenues may be used may  
4 include, but are not limited to, the administration of this ~~division,~~  
5 *chapter*, including legal actions related thereto, the construction,  
6 capital acquisition, maintenance, and operation of streets, roads,  
7 and highways, including state highways. These purposes include  
8 expenditures for the planning, environmental reviews, engineering  
9 and design costs, and related right-of-way acquisition.

10 (c) The ordinance shall contain an expenditure plan ~~which~~ *that*  
11 shall include the allocation of revenues for the purposes authorized  
12 by this section and shall include, at a minimum, the following  
13 provisions:

14 (1) The proportional distribution of the revenues among various  
15 purposes.

16 (2) The specific projects to be funded under the state highway  
17 and freeway portion. Following adoption of the ordinance by the  
18 voters, the plan may only be amended, if required, by the following  
19 process:

20 (A) Initiation of amendment by the ~~commission,~~ *authority*,  
21 reciting findings of necessity.

22 (B) Approval by the board of supervisors.

23 (C) Approval by a majority of the cities constituting a majority  
24 of the incorporated population.

25 (3) The formula for distribution of the city and the county  
26 portion, which may be amended by voter approval.

27 (4) A requirement that the arterial portion be expended pursuant  
28 to a five-year project list to be adopted by the ~~commission,~~  
29 *authority*, extended annually for one year, available for public  
30 review, to be first adopted at least 30 days prior to the election  
31 held pursuant to Section ~~190301.~~ *190300*.

32 (5) A requirement that the city and the county portions be  
33 expended pursuant to a five-year project list to be adopted by a  
34 resolution by each city and the board of supervisors, respectively,  
35 extended annually for one year, available for public review, to be  
36 first adopted at least 30 days prior to the election held pursuant to  
37 Section ~~190301.~~ *190300*.

38 SEC. 28. Section 190303 of the Public Utilities Code is  
39 amended to read:

1 190303. (a) The county shall conduct an election called by  
2 the board of supervisors pursuant to Section ~~190301~~. *190300*.

3 (b) The election shall be called and conducted in the same  
4 manner as provided by law for the conduct of elections by a county.

5 SEC. 29. Section 190304 of the Public Utilities Code is  
6 amended to read:

7 190304. (a) Any transactions and use tax ordinance adopted  
8 pursuant to this ~~chapter~~ *article* shall be operative on the first day  
9 of the first calendar quarter commencing more than 120 days after  
10 adoption of the ordinance.

11 (b) Prior to the operative date of the ordinance, the ~~commission~~  
12 *authority* shall contract with the State Board of Equalization to  
13 perform all functions incident to the administration and operation  
14 of the ordinance.

15 SEC. 30. Section 190305 of the Public Utilities Code is  
16 amended to read:

17 190305. The revenues from the taxes imposed pursuant to this  
18 ~~chapter~~ *article* shall be allocated by the ~~commission~~ *authority* for  
19 transportation purposes consistent with the adopted regional  
20 transportation improvement program and the regional transportation  
21 plan.

22 SEC. 31. Section 190306 of the Public Utilities Code is  
23 amended to read:

24 190306. (a) The ~~commission~~, *authority*, subject to the approval  
25 of the voters, may impose a maximum tax rate of one-half of 1  
26 percent under this ~~division~~ *chapter* and Part 1.6 (commencing with  
27 Section 7251) of Division 2 of the Revenue and Taxation Code,  
28 and the ~~commission~~ *authority* may state the maximum tax rate in  
29 terms of not to exceed one-half of 1 percent, or any lesser  
30 percentage thereof. Neither this ~~division~~ *chapter* nor the ordinance  
31 shall affect any tax otherwise authorized.

32 (b) The tax rate adopted pursuant to this ~~chapter~~, *article*, unless  
33 otherwise prohibited, may be increased by the ~~commission~~  
34 *authority* by ordinance adopted in the manner and by the vote  
35 stated in Section ~~190301~~ *190300* and approved by a majority of  
36 the electors voting on the measure at an election called for that  
37 purpose by the ~~commission~~. *authority*.

38 SEC. 32. Section 190307 of the Public Utilities Code is  
39 amended to read:

1 190307. The ~~commission~~ *authority* may reduce a tax rate to  
2 percentages lower than that approved by the voters and may further  
3 provide for an increase of the tax rate if it has previously been  
4 lowered. However, the tax rate ~~may~~ *shall* not be increased to a rate  
5 above the tax rate approved by the voters.

6 Any reduced tax rate may be adopted only if the ~~commission~~  
7 *authority* determines, by a two-thirds vote, that the proceeds of  
8 the taxes with the altered tax rate will be sufficient to provide for  
9 the payment of principal of, and interest on, any limited tax bonds  
10 and any other indebtedness incurred by the ~~commission~~ *authority*  
11 which was to be payable from the proceeds of the retail transactions  
12 and use tax.

13 SEC. 33. Section 190307.5 of the Public Utilities Code is  
14 amended to read:

15 190307.5. Any increase or reduction in the tax rate adopted  
16 pursuant to Section 190306 or 190307 shall become effective on  
17 the first day of the calendar quarter which commences at least 120  
18 days following the date of the ~~commission's~~ *authority's* vote  
19 approving the increased or reduced rate.

20 SEC. 34. Section 190308 of the Public Utilities Code is  
21 amended to read:

22 190308. (a) If requested to do so by the ~~commission~~ *authority*  
23 in its resolution calling for an election, the board of supervisors,  
24 as part of the ballot proposition to approve the imposition of a  
25 retail transactions and use tax, may seek authorization to issue  
26 bonds for capital outlay expenditures as may be provided for in  
27 the ordinance expenditure plan payable solely from the proceeds  
28 of the tax.

29 (b) The maximum bonded indebtedness that may be outstanding  
30 at any one time shall be an amount equal to the sum of the principal  
31 of, and interest on, the bonds, but not to exceed the estimated  
32 proceeds of the tax, as determined by the plan. The amount of  
33 bonds outstanding at any one time does not include the amount of  
34 bonds, refunding bonds, or bond anticipation notes for which funds  
35 necessary for the payments thereof have been set aside for that  
36 purpose in a trust or escrow account.

37 (c) The proposition shall set forth the actual percent of the tax.

38 (d) The proposition shall set forth the duration of the tax if the  
39 plan specifies a time limit.

1 (e) The proposition shall set forth the amount of bonds, if any,  
2 payable from the proceeds of the tax.

3 (f) The proposition shall set forth the ~~commission~~ *authority* as  
4 the agency imposing the tax.

5 (g) The proposition shall set forth the appropriations limit of  
6 the ~~commission~~ *authority* pursuant to Section 4 of Article XIII B  
7 of the California Constitution.

8 (h) The sample ballot to be mailed to the voters, pursuant to  
9 Section 13303 of the Elections Code, shall be the full proposition,  
10 as set forth in the ordinance calling the election, and the voter  
11 information handbook shall include the entire ordinance  
12 expenditure plan.

13 SEC. 35. Section 190309 of the Public Utilities Code is  
14 amended to read:

15 190309. (a) The bonds authorized by the voters concurrently  
16 with the approval of the retail transactions and use tax may be  
17 issued at any time by the ~~commission~~ *authority* and shall be  
18 payable from the proceeds of the tax. The bonds shall be referred  
19 to as “limited tax bonds.”

20 The bonds may be secured by a pledge of revenues from the  
21 proceeds of the tax.

22 (b) The pledge of the tax to the limited tax bonds authorized  
23 under this ~~chapter~~ *article* shall have priority over the use of any  
24 of the tax for “pay-as-you-go” financing, except to the extent that  
25 priority is expressly restricted in the resolution authorizing the  
26 issuance of the bonds.

27 SEC. 36. Section 190310 of the Public Utilities Code is  
28 amended to read:

29 190310. Limited tax bonds shall be issued pursuant to a  
30 resolution adopted at any time by a two-thirds vote of the  
31 ~~commission~~ *authority*. Each resolution shall provide for the  
32 issuance of bonds in the amounts as may be necessary, until the  
33 full amount of bonds authorized have been issued. The full amount  
34 of bonds may be divided into two or more series and different  
35 dates of payment fixed for the bonds of each series. A bond need  
36 not mature on its anniversary date.

37 SEC. 37. Section 190311 of the Public Utilities Code is  
38 amended to read:

39 190311. (a) A resolution authorizing the issuance of bonds  
40 shall state all of the following:

1 (1) The purposes for which the proposed debt is to be incurred,  
2 which may include all costs and estimated costs incidental to, or  
3 connected with, the accomplishment of those purposes, including,  
4 without limitation, engineering, inspection, legal, fiscal agents,  
5 financial consultant and other fees, bond and other reserve funds,  
6 working capital, bond interest estimated to accrue during the  
7 construction period and for a period not to exceed three years  
8 thereafter, and expenses of all proceedings for the authorization,  
9 issuance, and sale of the bonds.

10 (2) The estimated cost of accomplishing those purposes.

11 (3) The amount of the principal of the indebtedness.

12 (4) The maximum term the bonds proposed to be issued shall  
13 run before maturity, which shall not be beyond the date of  
14 termination of the imposition of the retail transactions and use tax.

15 (5) The maximum rate of interest to be paid, which shall not  
16 exceed the maximum allowable by law.

17 (6) The denomination or denominations of the bonds, which  
18 shall not be less than five thousand dollars (\$5,000).

19 (7) The form of the bonds, including, without limitation,  
20 registered bonds and coupon bonds, to the extent permitted by  
21 federal law, and the form of any coupons to be attached thereto,  
22 the registration, conversion, and exchange privileges, if any,  
23 pertaining thereto, and the time when all of, or any part of, the  
24 principal becomes due and payable.

25 (b) The resolution may also contain any other matters authorized  
26 by this ~~chapter~~ *article* or any other law.

27 SEC. 38. Section 190312 of the Public Utilities Code is  
28 amended to read:

29 190312. The bonds shall bear interest at a rate or rates not  
30 exceeding the maximum allowable by law, payable at intervals  
31 determined by the ~~commission~~, *authority*, except that the first  
32 interest payable on the bonds, or any series thereof, may be for  
33 any period not exceeding one year, as determined by the  
34 ~~commission~~. *authority*.

35 SEC. 39. Section 190313 of the Public Utilities Code is  
36 amended to read:

37 190313. In the resolution authorizing the issuance of the bonds,  
38 the ~~commission~~ *authority* may also provide for the call and  
39 redemption of the bonds prior to maturity at the times and prices  
40 and upon other terms as specified. However, no bond is subject to

1 call or redemption prior to maturity, unless it contains a recital to  
2 that effect or unless a statement to that effect is printed.

3 SEC. 40. Section 190314 of the Public Utilities Code is  
4 amended to read:

5 190314. The principal of, and interest on, the bonds shall be  
6 payable in lawful money of the United States at the office of the  
7 treasurer of the ~~commission~~, *authority*, or at other places as may  
8 be designated, or at both the office and other places at the option  
9 of the holders of the bonds.

10 SEC. 41. Section 190315 of the Public Utilities Code is  
11 amended to read:

12 190315. The bonds, or each series thereof, shall be dated and  
13 numbered consecutively and shall be signed by the chairperson or  
14 vice chairperson of the ~~commission~~ *authority* and the  
15 auditor-controller of the ~~commission~~, *authority*, and the official  
16 seal, if any, of the ~~commission~~ *authority* shall be attached.

17 The interest coupons of the bonds shall be signed by the  
18 auditor-controller of the ~~commission~~, *authority*. All of the  
19 signatures and seal may be printed, lithographed, or mechanically  
20 reproduced.

21 If any officer whose signature appears on the bonds or coupons  
22 ceases to be that officer before the delivery of the bonds, the  
23 officer's signature is as effective as if the officer had remained in  
24 office.

25 SEC. 42. Section 190316 of the Public Utilities Code is  
26 amended to read:

27 190316. The bonds may be sold as the ~~commission~~ *authority*  
28 determines by resolution, and the bonds may be sold at a price  
29 below par, whether by negotiated or public sale.

30 SEC. 43. Section 190318 of the Public Utilities Code is  
31 amended to read:

32 190318. All accrued interest and premiums received on the  
33 sale of the bonds shall be placed in the fund to be used for the  
34 payment of the principal of, and interest on, the bonds, and the  
35 remainder of the proceeds of the bonds shall be placed in the  
36 treasury of the ~~commission~~ *authority* and applied to secure the  
37 bonds or for the purposes for which the debt was incurred.  
38 However, when the purposes have been accomplished, any money  
39 remaining shall be either (a) transferred to the fund to be used for  
40 the payment of principal of, and interest on, the bonds or (b) placed

1 in a fund to be used for the purchase of the outstanding bonds in  
2 the open market at prices and in the manner, either at public or  
3 private sale or otherwise, as determined by the ~~commission~~.  
4 *authority*. Bonds so purchased shall be canceled immediately.

5 SEC. 44. Section 190319 of the Public Utilities Code is  
6 amended to read:

7 190319. (a) The ~~commission~~ *authority* may provide for the  
8 issuance, sale, or exchange of refunding bonds to redeem or retire  
9 any bonds issued by the ~~commission~~ *authority* upon the terms, at  
10 the times and in the manner which it determines.

11 (b) Refunding bonds may be issued in a principal amount  
12 sufficient to pay all, or any part of, the principal of the outstanding  
13 bonds, the premiums, if any, due upon call and redemption thereof  
14 prior to maturity, all expenses of the refunding, and either of the  
15 following:

16 (1) The interest upon the refunding bonds from the date of sale  
17 thereof to the date of payment of the bonds to be refunded out of  
18 the proceeds of the sale of the refunding bonds or to the date upon  
19 which the bonds to be refunded will be paid pursuant to call or  
20 agreement with the holders of the bonds.

21 (2) The interest upon the bonds to be refunded from the date of  
22 sale of the refunding bonds to the date of payment of the bonds to  
23 be refunded or to the date upon which the bonds to be refunded  
24 will be paid pursuant to call or agreement with the holder of the  
25 bonds.

26 (c) The provisions of this ~~chapter~~ *article* for the issuance and  
27 sale of bonds apply to the issuance and sale of refunding bonds.

28 SEC. 45. Section 190320 of the Public Utilities Code is  
29 amended to read:

30 190320. (a) The ~~commission~~ *authority* may borrow money in  
31 anticipation of the sale of bonds which have been authorized  
32 pursuant to this ~~chapter~~, *article*, but which have not been sold or  
33 delivered, and may issue negotiable bond anticipation notes  
34 therefor and may renew the bond anticipation notes from time to  
35 time. However, the maximum maturity of any bond anticipation  
36 notes, including the renewals thereof, shall not exceed five years  
37 from the date of delivery of the original bond anticipation notes.

38 (b) The bond anticipation notes, and the interest thereon, may  
39 be paid from any money of the ~~commission~~ *authority* available  
40 therefor, including the revenues from the tax. If not previously

1 otherwise paid, the bond anticipation notes, or any portion thereof,  
2 or the interest thereon, shall be paid from the proceeds of the next  
3 sale of the bonds of the ~~commission~~ *authority* in anticipation of  
4 which the notes were issued.

5 (c) The bond anticipation notes shall not be issued in any amount  
6 in excess of the aggregate amount of the bonds which the  
7 ~~commission~~ *authority* has been authorized to issue, less the amount  
8 of any bonds of the authorized issue previously sold, and also less  
9 the amount of other bond anticipation notes therefor issued and  
10 then outstanding. The bond anticipation notes shall be issued and  
11 sold in the same manner as the bonds.

12 (d) The bond anticipation notes and the resolutions authorizing  
13 them may contain any provisions, conditions, or limitations which  
14 a resolution of the ~~commission~~ *authority* may contain.

15 SEC. 46. Section 190321 of the Public Utilities Code is  
16 amended to read:

17 190321. Any bonds issued under this ~~chapter~~ *article* are legal  
18 investment for all trust funds; for the funds of insurance companies,  
19 commercial and savings banks, and trust companies; and for state  
20 school funds; and whenever any money or funds may, by any law  
21 now or hereafter enacted, be invested in bonds of cities, counties,  
22 school districts, or other districts within the state, that money or  
23 those funds may be invested in the bonds issued under this ~~chapter~~,  
24 *article*, and whenever bonds of cities, counties, school districts,  
25 or other districts within the state may, by any law now or hereafter  
26 enacted, be used as security for the performance of any act or the  
27 deposit of any public money, the bonds issued under this ~~chapter~~  
28 *article* may be so used. The provisions of this ~~chapter~~ *article* are  
29 in addition to all other laws relating to legal investments and shall  
30 be controlling as the latest expression of the Legislature with  
31 respect thereto.

32 SEC. 47. Section 190322 of the Public Utilities Code is  
33 amended to read:

34 190322. Any action or proceeding wherein the validity of the  
35 adoption of the retail transactions and use tax ordinance provided  
36 for in this ~~chapter~~ *article* or the issuance of any bonds thereunder  
37 or any of the proceedings in relation thereto is contested,  
38 questioned, or denied, shall be commenced within six months from  
39 the date of the election at which the ordinance is approved;  
40 otherwise, the bonds and all proceedings in relation thereto,



1 including the adoption and approval of the ordinance, shall be held  
2 to be valid and in every respect legal and incontestable.

3 SEC. 48. Section 190323 of the Public Utilities Code is  
4 amended to read:

5 190323. ~~The commission has no~~ *This chapter does not vest in*  
6 *the authority the* power to impose any tax other than the  
7 transactions and use tax imposed upon approval of the voters in  
8 accordance with this ~~division~~ *chapter*.

9 SEC. 49. Chapter 2 (commencing with Section 190500) is  
10 added to Division 20 of the Public Utilities Code, to read:

11  
12 CHAPTER 2. SAN BERNARDINO COUNTY TRANSPORTATION  
13 AUTHORITY CONSOLIDATION ACT OF 2016  
14

15 190500. This chapter shall be known and may be cited as the  
16 San Bernardino County Transportation Authority Consolidation  
17 Act of 2016.

18 190503. For purposes of this chapter, the following definitions  
19 shall apply:

20 (a) “Authority” means the San Bernardino County  
21 Transportation Authority established pursuant to Section 190505.

22 (b) “Local congestion management agency” means a San  
23 Bernardino County congestion management agency established  
24 pursuant to subdivision (a) of Section 65089 of the Government  
25 Code.

26 (c) “Local transportation authority” means a San Bernardino  
27 County transportation authority established pursuant to Section  
28 180050.

29 (d) “Service authority for freeway emergencies” means a San  
30 Bernardino County service authority for freeway emergencies  
31 established pursuant to Section 2551 of the Streets and Highways  
32 Code.

33 190505. (a) There is hereby created the San Bernardino County  
34 Transportation Authority. The authority shall be the successor  
35 agency to the powers, duties, revenues, debts, obligations,  
36 liabilities, immunities, and exemptions of the San Bernardino  
37 County Transportation Commission established pursuant to Section  
38 130050, local transportation authority, service authority for freeway  
39 emergencies, and local congestion management agency, and of  
40 the San Bernardino Associated Governments, established pursuant

1 to Section 6502 of the Government Code, when it was acting on  
2 behalf, or in the capacity, of those agencies.

3 (b) The authority may, at its own election, exercise any statutory  
4 or regulatory powers and rely upon any immunities or exemptions  
5 provided by law for the county transportation commission, local  
6 transportation authority, service authority for freeway emergencies,  
7 or local congestion management agency.

8 (c) The governing body of the authority shall consist of the  
9 following members:

10 (1) Five members of the San Bernardino County Board of  
11 Supervisors.

12 (2) One member from each of the incorporated cities of the  
13 County of San Bernardino, who shall be a mayor or a city council  
14 member of his or her incorporated city.

15 (3) One nonvoting member appointed by the Governor.

16 (d) Each incorporated city of the County of San Bernardino may  
17 appoint an alternate member to represent it at a meeting, but only  
18 if the regular member cannot attend the meeting. The alternate  
19 member shall be either the mayor or a city council member of that  
20 incorporated city.

21 190510. (a) Any reference in this division, or in any other  
22 provision of law or regulation, to the San Bernardino County  
23 Transportation Commission or to a San Bernardino County  
24 transportation commission, local transportation authority, service  
25 authority for freeway emergencies, or local congestion management  
26 agency, shall be deemed to refer to the authority.

27 (b) By operation of law, the authority shall assume the rights,  
28 obligations, assets, and liabilities of the San Bernardino County  
29 Transportation Commission and San Bernardino County local  
30 transportation authority, service authority for freeway emergencies,  
31 and local congestion management agency, and of the San  
32 Bernardino Associated Governments when it was acting on behalf,  
33 or in the capacity, of those agencies, under any contract to which  
34 any of them is a party and which was entered into before January  
35 1, 2017. All real and personal property owned by any of them shall  
36 be transferred to the authority by operation of law.

37 (c) The authority shall indemnify, defend, and hold harmless  
38 the San Bernardino Associated Governments and its member  
39 agencies from any and all powers, duties, debts, obligations,  
40 liabilities, or claims arising out of or related to the powers, duties,

1 debts, obligations, and liabilities transferred to the authority under  
2 this act by operation of law.

3 190512. Except as otherwise provided in this division, Chapter  
4 1 (commencing with Section 130000), Chapter 2 (commencing  
5 with Section 130050), Chapter 3 (commencing with 130100), and  
6 Chapter 4 (commencing with Section 130200) of Division 12 shall  
7 be applicable to the authority and shall be in addition to the powers  
8 and functions of the authority set forth in this chapter.

9 190514. Chapter 1 (commencing with Section 180000), Chapter  
10 5 (commencing with Section 180200), and Chapter 6 (commencing  
11 with Section 180250) of Division 19 shall be applicable to the  
12 authority and shall be in addition to the powers and functions of  
13 the authority set forth in this chapter.

14 190520. A majority of the members of the authority shall  
15 constitute a quorum for the transaction of business, and all official  
16 acts of the authority shall require the affirmative vote of a majority  
17 of the members of the authority.

18 190530. (a) After the creation of the authority and on the  
19 effective date of a contract with the San Bernardino County  
20 Employees' Retirement Association providing retirement benefits  
21 to the authority's employees equivalent to those provided to  
22 employees of the San Bernardino Associated Governments, existing  
23 balances in the San Bernardino County Associated Governments'  
24 Account in the San Bernardino County Employees' Retirement  
25 Association fund shall be transferred to the authority's account in  
26 that fund.

27 (b) After the creation of the authority and on the effective date  
28 of a contract with the California Public Employees' Retirement  
29 System, the authority shall assume all retirement fund obligations  
30 of the retired employees of San Bernardino Associated  
31 Governments, and existing balances in the San Bernardino County  
32 Associated Governments' Account in the California Public  
33 Employees' Retirement System fund shall be transferred to the  
34 authority's account in that fund.

35 (c) As of the effective date of the transfer of retirement funds  
36 under subdivision (a), all then current employees of the San  
37 Bernardino Associated Governments shall be deemed to be  
38 employees of the authority and all duties and obligations of the  
39 employment relationship shall be assumed by the authority.

(d) The authority may contract to provide the services of its employees to San Bernardino Associated Governments upon lawful terms and conditions as the authority and the San Bernardino Associated Governments shall agree.

190550. Notwithstanding Section 130233, if, after rejecting bids received under Section 130232, the authority determines and declares, by a majority vote of all of its members, that the supplies, equipment, or materials may be purchased at a lower price in the open market, the authority may proceed to purchase those supplies, equipment, or materials in the open market without further observance of the provisions in Article 2 (commencing with Section 130220) of Chapter 4 of Division 12 regarding contracts, bids, advertisement, or notice.

SEC. 50. Section 149.11 of the Streets and Highways Code, as added by Chapter 702 of the Statutes of 2015, is amended to read:

149.11. (a) (1) Notwithstanding Sections 149 and 30800 of this code, and Section 21655.5 of the Vehicle Code, the San Bernardino County Transportation ~~Commission~~, *Authority*, created pursuant to Section ~~130054~~ 190505 of the Public Utilities Code, may conduct, administer, and operate a value-pricing program in the Interstate 10 and Interstate 15 corridors in the County of San Bernardino. The value-pricing program may include high-occupancy toll lanes or other toll facilities. The San Bernardino County Transportation ~~Commission~~ *Authority* may also extend the program to include the approaching and departing connectors on Interstate 10 extending into the County of Los Angeles, as designated by an agreement with the Los Angeles County Metropolitan Transportation Authority, and the connection to the Interstate 15 express lanes project in the County of Riverside, as designated by an agreement with the Riverside County Transportation Commission. The San Bernardino County Transportation ~~Commission~~ *Authority* may exercise its existing powers of eminent domain pursuant to Section 130220.5 of the Public Utilities Code to acquire property necessary to carry out the purposes of the value-pricing program.

(2) The value-pricing program authorized pursuant to paragraph (1) may only be implemented upon a determination that the program and the resulting facilities will improve the performance of the affected corridors. Improved performance may be

1 demonstrated by factors that include, but are not limited to,  
2 increased passenger throughput or improved travel times. The San  
3 Bernardino County Transportation ~~Commission~~ *Authority* shall  
4 make the determination required by this paragraph in a public  
5 meeting prior to operation of the value-pricing program.

6 (3) The San Bernardino County Transportation ~~Commission~~  
7 *Authority* shall have the authority to set, levy, and collect tolls,  
8 user fees, or other similar charges payable for the use of the toll  
9 facilities in the County of San Bernardino, and any other incidental  
10 or related fees or charges, and to collect those revenues, in a  
11 manner determined by the San Bernardino County Transportation  
12 ~~Commission~~, *Authority*, in amounts as required for the following  
13 expenditures relative to the program and for the purposes of  
14 paragraph (4):

15 (A) Development, including the costs of design, construction,  
16 right-of-way acquisition, and utilities adjustment.

17 (B) Operations and maintenance, including, but not limited to,  
18 insurance, collection, and enforcement of tolls, fees, and charges.

19 (C) Repair, rehabilitation, and reconstruction.

20 (D) Indebtedness incurred and internal loans and advances,  
21 including related financial costs.

22 (E) Administration, which shall not exceed 3 percent of the  
23 revenues of toll facilities and associated transportation facilities.

24 (F) Reserves for the purposes described in subparagraphs (A)  
25 to (E), inclusive.

26 (4) All revenue generated pursuant to paragraph (3) in excess  
27 of the expenditure needs of that paragraph shall be used exclusively  
28 for the benefit of the transportation corridors included in the  
29 value-pricing program created pursuant to this section. These  
30 excess revenue expenditures shall be described in an excess revenue  
31 expenditure plan developed in consultation with the department  
32 and adopted and periodically updated by the board of directors of  
33 the San Bernardino County Transportation ~~Commission~~ *Authority*  
34 and may include, but need not be limited to, the following eligible  
35 expenditures:

36 (A) Expenditures to enhance transit service designed to reduce  
37 traffic congestion within the transportation corridors included in  
38 the value-pricing program created pursuant to this section. Eligible  
39 expenditures include, but are not limited to, transit operating  
40 assistance, the acquisition of transit vehicles, and transit capital

1 improvements otherwise eligible to be funded under the state  
2 transportation improvement program pursuant to Section 164.

3 (B) Expenditures to make operational or capacity improvements  
4 designed to reduce traffic congestion or improve the flow of traffic  
5 in the transportation corridors included in the value-pricing  
6 program created pursuant to this section. Eligible expenditures  
7 include, but are not limited to, any phase of project delivery to  
8 make capital improvements to on ramps, off ramps, connector  
9 roads, roadways, bridges, or other structures that are necessary for  
10 or related to the tolled or nontolled transportation facilities in the  
11 transportation corridors included in the value-pricing program  
12 created pursuant to this section.

13 (5) To the extent the San Bernardino County Transportation  
14 ~~Commission~~ Authority plans to extend the value-pricing program  
15 into the Counties of Los Angeles or Riverside, it shall enter into  
16 an agreement with the Los Angeles County Metropolitan  
17 Transportation Authority or the Riverside County Transportation  
18 Commission, as applicable, subject to approval of the board of  
19 directors of the San Bernardino County Transportation ~~Commission~~  
20 Authority and the board of directors of the affected entity. If the  
21 value-pricing program developed and operated by the San  
22 Bernardino County Transportation ~~Commission~~ Authority connects  
23 to, or is near, similar toll facilities constructed and operated by the  
24 Los Angeles County Metropolitan Transportation Authority or the  
25 Riverside County Transportation Commission, the respective  
26 entities shall enter into an agreement providing for the coordination  
27 of the toll facilities operated by each entity.

28 (b) (1) The San Bernardino County Transportation ~~Commission~~  
29 Authority shall carry out the program in cooperation with the  
30 Department of the California Highway Patrol pursuant to an  
31 agreement that addresses all matters related to enforcement on  
32 state highway system facilities in connection with the value-pricing  
33 program, and with the department pursuant to an agreement that  
34 addresses all matters related to the design, construction,  
35 maintenance, and operation of state highway system facilities in  
36 connection with the value-pricing program, including, but not  
37 limited to, financing, repair, rehabilitation, and reconstruction.

38 (2) The San Bernardino County Transportation ~~Commission~~  
39 Authority shall be responsible for reimbursing the department and  
40 the Department of the California Highway Patrol for costs related

1 to the toll facility pursuant to an agreement between the San  
2 Bernardino County Transportation ~~Commission~~ *Authority* and the  
3 department and between the San Bernardino County Transportation  
4 ~~Commission~~ *Authority* and the Department of the California  
5 Highway Patrol.

6 (c) Single-occupant vehicles that are certified or authorized by  
7 the San Bernardino County Transportation ~~Commission~~ *Authority*  
8 for entry into, and use of, the high-occupancy toll lanes  
9 implemented pursuant to this section are exempt from Section  
10 21655.5 of the Vehicle Code, and the driver shall not be in violation  
11 of the Vehicle Code because of that entry and use.

12 (d) (1) The San Bernardino County Transportation ~~Commission~~  
13 *Authority* may issue bonds at any time to finance any costs  
14 necessary to implement the program established pursuant to this  
15 section and any expenditures provided for in paragraphs (3) and  
16 (4) of subdivision (a), payable from the revenues generated from  
17 the program and any other sources of revenues available to the  
18 San Bernardino County Transportation ~~Commission~~ *Authority* that  
19 may be used for these purposes, including, but not limited to, sales  
20 tax revenue, development impact fees, or state and federal grants.

21 (2) The maximum bonded indebtedness that may be outstanding  
22 at any one time shall not exceed an amount that may be serviced  
23 from the projected revenues available as described in paragraph  
24 (1).

25 (3) The bonds shall bear interest at a rate or rates not exceeding  
26 the maximum allowable by law, payable at intervals determined  
27 by the San Bernardino County Transportation ~~Commission~~.  
28 *Authority*.

29 (4) Any bond issued pursuant to this subdivision shall contain  
30 on its face a statement to the following effect:

31 “Neither the full faith and credit nor the taxing power of the  
32 State of California is pledged to the payment of principal of, or  
33 interest on, this bond.”

34 (5) Bonds shall be issued pursuant to a resolution of the  
35 governing board of the San Bernardino County Transportation  
36 ~~Commission~~ *Authority* adopted by a majority vote of its governing  
37 board. The resolution or bond authorizing instrument shall state  
38 all of the following:

39 (A) The purposes for which the proposed debt is to be incurred.

40 (B) The estimated cost of accomplishing those purposes.

1 (C) The amount of the principal of the indebtedness.

2 (D) The maximum term of the bonds and the maximum interest  
3 rate.

4 (E) The denomination or denominations of the bonds, which  
5 shall not be less than five thousand dollars (\$5,000).

6 (F) The form of the bonds.

7 (e) Not later than three years after *either* the San Bernardino  
8 County Transportation Commission *or the San Bernardino County*  
9 *Transportation Authority* first collects revenues from the program  
10 authorized by this section, the San Bernardino County  
11 Transportation ~~Commission~~ *Authority* shall submit a report to the  
12 Legislative Analyst on its findings, conclusions, and  
13 recommendations concerning the program. The report shall include  
14 an analysis of the effect of the transportation facilities on the  
15 adjacent mixed-flow lanes and any comments submitted by the  
16 department and the Department of the California Highway Patrol  
17 regarding operation of the transportation facilities.

18 (f) This section shall not prevent the department or any local  
19 agency from constructing improvements in the transportation  
20 corridors that compete with the program, and the San Bernardino  
21 County Transportation ~~Commission~~ *Authority* shall not be entitled  
22 to compensation for the adverse effects on toll revenue due to those  
23 competing improvements.

24 (g) If any provision of this section or the application thereof is  
25 held invalid, that invalidity shall not affect other provisions or  
26 applications of this section that can be given effect without the  
27 invalid provision or application, and to this extent the provisions  
28 are severable.

29 (h) Nothing in this section shall authorize the conversion of any  
30 existing nontoll or nonuser-fee lanes into tolled or user-fee lanes,  
31 except that a high-occupancy vehicle lane may be converted into  
32 a high-occupancy toll lane.

33 SEC. 51. The provisions of this act are severable. If any  
34 provision of this act or its application is held invalid, that invalidity  
35 shall not affect other provisions or applications that can be given  
36 effect without the invalid provision or application.

37 SEC. 52. If the Commission on State Mandates determines  
38 that this act contains costs mandated by the state, reimbursement  
39 to local agencies and school districts for those costs shall be made



1 pursuant to Part 7 (commencing with Section 17500) of Division  
2 4 of Title 2 of the Government Code.

O